



**Alberta
Cattle
Commission**

GRASS

ROUTES

The Alberta cattle producer newsletter.

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Producers chart course for 1996

Larry Helland elected Alberta Cattle Commission Chairman

Larry Helland of Lomond (outside left photo) and Dale Wilson of Rosedale were selected as Alberta Cattle Commission (ACC) chairman and vice-chairman respectively at the twenty-first annual general meeting in Edmonton. Ben Thorlakson of Carstairs becomes past chairman and Jim Turner of Cochrane rounds out the executive as the new finance chairman. The 1996 ACC board of directors was also selected at the AGM. One-third are first time board members.

Some of the major policy decisions were:

- Delegates voted to remain actively involved in the **Crown grazing lease issue** to

protect leaseholders' right to control access and to clarify legislation regarding access issues on both leased and deeded land.

- The meeting also reaffirmed the ACC's opposition to any government **safety net programs** in order to protect international trade relations.
- Delegates agreed to investigate the development of a **national beef research agency** that would unify regional programs and improve efficiencies.

See **AGM resolution highlights**, Page 2

Industry starts grazing lease defence fund

The Alberta Cattle Commission (ACC) and Western Stock Growers' Association (WSGA) are working together to establish the **Grazing Lease Defence Fund** for the appeal of the OH vs. Patton decision.

A class action intervention is being organized on behalf of grazing leaseholders to ensure that leaseholders' rights to control access and to exclusive possession are upheld. Organizers are trying to raise \$100,000 for the appeal.

The appeal is significant for all leaseholders since the court's decision will set a prec-

edent binding not just on the OH Ranch, but all grazing leaseholders in the province. The decision could also impact property rights on both deeded and leased lands.

The ACC and WSGA suggest that all grazing leaseholders consider donating \$100 per leaseholder or five cents per leased acre or 15 cents per AUM - whichever is more appropriate for your operation. Any excess funds will be returned to donors on a pro rata basis after all legal costs are known.

Anyone interested in contributing should make cheques payable to the **Grazing Lease Defence Fund** at 216, 6715 - 8th Street NE, Calgary, Alberta, T2E 7H7.

Strength from the ground up.

Comments or Questions About Grass Routes?

Call the Editor:

**Ron Glaser,
Public Affairs
Coordinator**

Phone:

(403) 275-4400

Fax:

(403) 274-0007

Plan to attend the Rural Crime Watch provincial workshop

The 16th annual Rural Crime Watch Workshop and Convention will be held February 2-3, 1996 at the Carriage House Inn, Calgary. The theme is **Neighbors Caring About Neighbors**. Workshops offered are: Fish and Wildlife Special Investigations; Safety for Seniors; The Young Offenders Act; Livestock Investigations; RCMP Drug Section (Hydroponic Operations and Detecting Use in Young People); Gun Legislation and Farm Safety and Security. For further information contact your local Rural Crime Watch Association or call Jackie Chalmers at (403) 931-3872.



Environmental steward honored

Brian and Debra Berg of the Broadview Ranch (outside left photo) are the 1996 winners of the Environmental Stewardship Award (ESA). The Bergs were selected for their excellent management of their ranch near Wardlaw, 50 kilometers northeast of Brooks.

The native range is in excellent condition due to a rotational grazing system where pastures are grazed in alternate years and with some rested for two years when there is ample cover. This has provided sufficient grass even in the driest of years.

Their management goal is to maintain a balance between the natural and domestic activities on the ranch. The ranch has several sensitive areas such as Burrowing Owl and Great Blue Heron nesting sites as well as once active sand dunes which are managed for their protection.

Direct access to Berry Creek is limited in some areas with electric fencing and the Bergs are also implementing a solar powered pumping system to eliminate the need for

direct access. They are also planning a water pipeline project to bring water to several pastures to further reduce their reliance on riparian areas.

The Berg's strong stewardship ethic comes from their appreciation for natural areas and wildlife. They feel their management programs have resulted in the benefits of a healthy vegetative cover, which in turn has provided a habitat that is productive to both livestock and wildlife.

The ESA was created to publicly recognize cattle producers who are doing an excellent job of protecting the environment from which they make their living. Representatives from conservation, agriculture, and government sectors formed the judging committee.

The ACC is now accepting nominations for the 1997 ESA. All cattle producers are encouraged to either enter or nominate another producer who qualifies. Deadline for nominations is June 1, 1996. Nomination forms are available from the ACC office at 275-4400.

AGM resolution highlights, continued

- Delegates continued to work on a **new strategic plan** for the ACC. The plan will be further refined and reviewed at the 1996 ACC semi annual meeting.
 - Delegates agreed to release a **study on the impact of the petroleum industry** on cattle production as soon as possible. The study is in the final stages of review and redrafting should be complete by the spring of 1996.
 - Delegates agreed to proactively **promote the cattle industry's good stewardship** of the land, cattle and wildlife in their care. To that end, the ACC will contribute \$50,000 to supplement a new three year, \$750,000 provincial public awareness campaign about the environmental and economic contribution of agriculture.
 - They also voted to develop an **electronic bulletin board** for producers and others to receive information on the cattle industry and the ACC.
 - The meeting agreed to support the **Western Heritage Centre** with up to \$75,000 for educational initiatives.
- Other highlights of the meeting included Brian and Debra Berg of the Broadview Ranch being recognized as winners of the **1996 Environmental Stewardship Award** (see above). Minutes of the AGM are available from the ACC office in Calgary, 275-4400.

ANNUAL GENERAL MEETING RESOLUTIONS

The following resolutions were generated at 43 country meetings held throughout the province during late October and early November.

A resolutions committee comprised of Alberta Cattle Commission (ACC) delegates representing each of the nine zones then organized the resolutions for the ACC's annual meeting held at the beginning of December. Each resolution was presented at the annual meeting, where it

was debated and voted on by the 90 ACC delegates.

The carried resolutions are printed below. Limited space prevents us from printing the defeated and redundant resolutions. A complete list of resolutions is available from the ACC office. If you want further information about any one of the following resolutions, please contact your local ACC delegate (see list on pages 5-8).

Producer Liaison

1. "Be it resolved the ACC consider production and distribution of educational material to veterinary clinics dealing with injection site carcass damage."
2. "Be it resolved the ACC investigate alternatives to the fall election meetings to receive producer input and elect delegates."
3. "Be it resolved the ACC implement an electronic bulletin board system."
4. "Be it resolved the ACC media representatives consult with major television stations to have cattle and grain prices included in the financial section of news casts."

Public Affairs

1. "Be it resolved the ACC provide more information to the media in regards to landowners' rights considering their investment vis-a-vis property taxes in issues of land occupation."
2. "Be it resolved the ACC move proactively in preparing and dealing with environmental issues."
3. "Be it resolved the ACC actively pursue a plan of action which would counteract the anti-beef cause."
4. "Be it resolved the ACC encourage the general public to view the cattle industry as a sustainable activity, exhibiting good stewardship of cattle, land and interrelated ecosystems."
5. "Be it resolved we educate the consumer about the beef industry."
6. "Be it resolved the public affairs committee give financial support in the amount of \$5,000 to the Alberta Foundation for Animal Care to conduct a baseline study on producers' attitudes and animal handling practices in the livestock industry."

Referred to committee for decision

Provincial Affairs

1. "Be it resolved the Department of Highways be approached to develop better signage (the standard cow logo does not look like a healthy beef animal)."
2. "Be it resolved the ACC lobby the Alberta government to ensure public land with grazing lease disposition remain under the jurisdiction of Alberta Agriculture."
3. "Be it resolved the ACC lobby Alberta Agriculture to ensure that grazing lessees' maintain active use of their leases."
4. "Be it resolved the ACC support the OH vs. Patton appeal."
5. "Be it resolved the ACC lobby the Alberta government to clarify the legislation pertaining to access on lands."
6. "Be it resolved the ACC and the CCA carefully monitor the endangered species legislation and provincial water act to ensure these pieces of legislation do not become the problem that the American endangered species legislation has become."
7. "Be it resolved the ACC lobby the federal government to change the legislation so that seed certificates be attached to each and every bag of grass seed."
8. "Be it resolved the ACC lobby to eliminate any and all feed freight assistance programs anywhere within Canada."
9. "Be it resolved the ACC go on record that the involvement of the federal government in FCC financing of Heartland Livestock remain 'unsubsidized' and at arms length."
10. "Be it resolved the ACC evaluate the merits of individuals registering and or licensing their water wells (pending legislation) and that the results be circulated."
11. "Be it resolved the ACC confirm our opposition to income stabilization through safety net programs."

12. "Be it resolved the ACC lobby the Public Land Management Branch to ensure that grazing leases are used to their full potential and that in multiple use management, agriculture maintain its priority."

Canadian Cattlemen's Association

1. "Be it resolved the CCA lobby the federal government to renegotiate import inspection fees for the importation of intact heifers."
 2. "Be it resolved the ACC help facilitate the implementation of a national check-off as soon as possible."
- Tabled**
3. "Be it resolved the ACC approach the CCA to have all provincial organizations now in CCA contribute their fair share toward CCA research and that fair share would be proportional to the ACC technical research contribution."
 4. "Be it resolved the ACC lobby pharmaceutical and biological companies to reduce losses due to intermuscular injections wherever possible by promoting subcutaneous injections on labels and to encourage the federal Bureau of Veterinary Drugs to accept these label changes without causing excess expense to the companies involved."

Technical

1. "Be it resolved the ACC investigate the concept of a national beef research agency."
 2. "Be it resolved the ACC terminate the technical committee's responsibilities to evaluate research projects."
- Tabled**
3. "Be it resolved the ACC carefully evaluate the Kinsella Ranch as a beef research facility and take steps to retain it if the ACC feels it is useful."

ANNUAL GENERAL MEETING RESOLUTIONS

Market Development

1. "Be it resolved the ACC continue to fund trade missions to Eastern Canada."

Promotion

1. "Be it resolved if the ACC is to consider funding educational programs that it should consider all organizations."
2. "Be it resolved the ACC support an educational process to target younger audiences through expanded B.I.C. programs."
3. "Be it resolved the ACC have direct input into the design of all educational material that is funded by ACC for public display."
4. "Be it resolved the ACC support the initiation of in-store demonstrations of beef products."
5. "Be it resolved the ACC contribute an initial \$50,000 to the CAESA public awareness program."
6. "Be it resolved the ACC liaise with Jim Fisher, Q91; Dave Bruns, CFCW; Hoss Hammer, CKGY; Chuck Greig, CHRB; and Dianne Finstad, RDTV (Red Deer) to develop sponsorship programs for beef marketing."
7. "Be it resolved the ACC sponsor an educational display at the Western Heritage Centre upon completion of the building."
8. "Be it resolved the ACC support the Western Heritage Centre with up to \$75,000 and this money be used for educational purposes."

Finance and Budget

1. "Be it resolved the ACC support the board's decision to increase the dealers' rebate to \$0.03 to cattle dealers and auction markets."
2. "Be it resolved the ACC develop a proposed fee increase that would enable the national promotion program to be reinstated to its previous levels of effectiveness, while maintaining funding for market development and provincial promotion programs."

Tabled

3. "Be it resolved all ACC expense accounts be subject to random audits by the ACC auditors."

4. "Be it resolved the ACC separate committee project expenses from members' honoraria and expenses in the annual financial statements."
5. "Be it resolved the zone budget have a set maximum of \$12,000 per zone."
6. "Be it resolved the ACC prepare an annual report of the honoraria and expenses paid to individual delegates and directors."
7. "Be it resolved the ACC 1996/97 budget be approved as presented."

Executive

1. "Be it resolved the ACC delegate body, after seeking producer input, completely review the new strategic plan at the semi annual meeting."

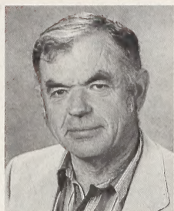
Executive resolutions 2-19 were set aside to be dealt with at the 1996 ACC semi annual meeting

2. "Be it resolved the ACC maintain nine zones with 10 delegates per zone."
3. "Be it resolved the delegate body be reduced to eight delegates per zone over a two year period."
4. "Be it resolved the number of delegates be reduced to six per zone."
5. "Be it resolved the reduction in the number of delegates be in proportion to the number of committees so that each zone is represented on a committee."
6. "Be it resolved the ACC endorse in principle the new strategic plan, and that it be reviewed every five years."
7. "Be it resolved the ACC support in principle the new strategic plan with the details to be discussed at the AGM."
8. "Be it resolved a final draft of the new strategic plan be presented at the next fall producer meetings so that each section of the plan can be ratified separately."
9. "Be it resolved the ACC delegate body completely review the new strategic plan and present it for grassroots approval at the 1996 fall producer meetings."

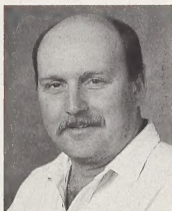
10. "Be it resolved the ACC print in the next Grass Routes the complete text of the new strategic plan as presented at the 1995 fall producer meetings."
 11. "Be it resolved objective four of the new strategic plan read 'enhance' rather than 'achieve'."
 12. "Be it resolved the ACC continue to elect five directors at large to the board from the delegate body."
 13. "Be it resolved one voting director of the ACC be selected from the cattle industry committee."
 14. "Be it resolved the ACC maintain the current honoraria payment schedule."
 15. "Be it resolved the ACC increase the current honorarium by \$50."
 16. "Be it resolved we retain the name Alberta Cattle Commission."
 17. "Be it resolved that before making the name change we investigate the cost."
 18. "Be it resolved we leave the check-off as non-floating in the strategic plan process."
 19. "Be it resolved the ACC amalgamate the market development and promotion committees so that duplication of effort is eliminated."
 20. "Be it resolved each year prior to the annual meeting a policy statement be prepared based on all pertinent resolutions previously passed, and this statement appear in the annual meeting book and be subject to review and amendment at that time."
 21. "Be it resolved the ACC delegates serving on a committee must have the agenda and related materials one week prior to the meeting."
 22. "Be it resolved the ACC revert back to a two year wipeout clause for delegates who have served six consecutive years taking effect in the 1995/96 year."
- ## **Tabled to semi annual meeting**
23. "Be it resolved copies of an Alberta Environmental Centre report on the petroleum study be made public as soon as possible."

ALBERTA CATTLE COMMISSION DELEGATES

ZONE 5:
Counties 6,
14, 23;
M.D.s 7, 47,
48, 99



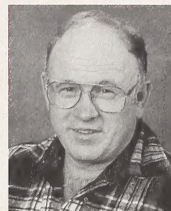
Des Carney
Three Hills, 443-7369
technical committee



Greg Conn
Innisfail, 227-6692
public affairs committee



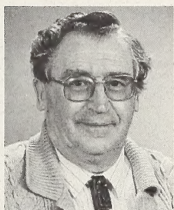
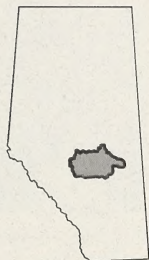
Mabel Hamilton
Innisfail, 224-2380
promotion committee



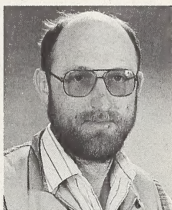
Clyde Lynn
Rocky Mountain House,
729-2494
public affairs committee



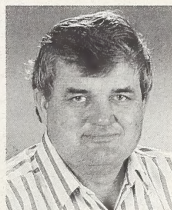
Rob Somerville
Endiang, 579-2406
government affairs
committee



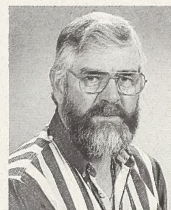
Elwyn Grattidge
Camrose, 672-4564
producer liaison
committee



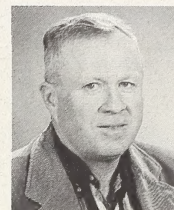
Elgar Grinde
Holden, 688-2123
technical committee



Don Mosicki
Warburg, 848-7778
promotion committee

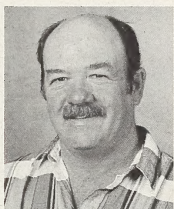


Dave Willows
Winfield, 842-2335
promotion committee

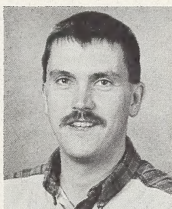


Walter Byers
Camrose, 672-4922
market development
committee

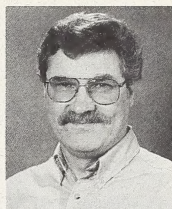
ZONE 6:
Counties 3,
9, 10, 20,
22, 25, 31;
M.D. 77; I.D.
13



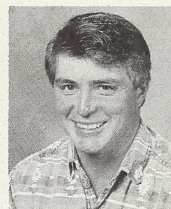
Randy Archibald
Rosalind, 375-2378
government affairs
committee



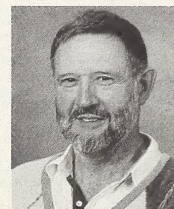
Dean Fankhanel
New Norway, 855-2467
public affairs committee



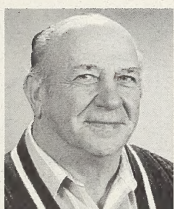
Marvin Molzan
Leduc, 986-2417
market development
committee chairman



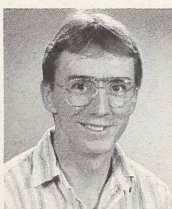
Mark Mowat
Gwynne, 985-9969
producer liaison
committee



John Prentice
Calmar, 985-3611
government affairs
committee



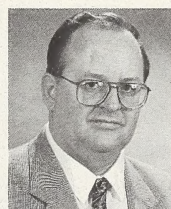
Andrew Kapicki
Gibbons, 942-4249
market development
committee



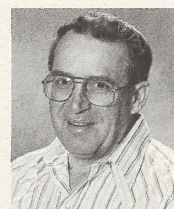
Jody Karlzen
Carrot Creek, 795-2398
promotion committee



Barbara Kwasney
Athabasca, 675-4632
public affairs committee

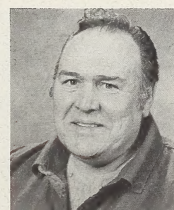


Fred van Ingen
Redwater, 942-2189
technical committee

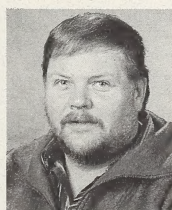


Charles Westra
Gibbons, 998-9083
public affairs committee
chairman

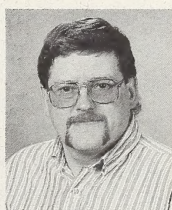
ZONE 7:
Counties 7, 11, 12,
28; M.D.s 90, 92;
I.D.s 12, 14, 15,
and that area of
I.D. 17 that lies
east of range 9,
west of the 5th
meridian and south
of township 85



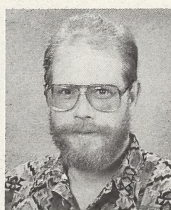
Mike Cook
Westlock, 954-2663
market development
committee



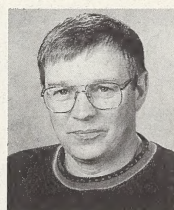
Joe Dobyanski
Westlock, 954-2165
producer liaison
committee



Dale Hilliard
Westlock, 349-3094
government affairs
committee

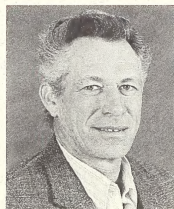
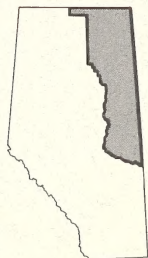


Murray Kerik
Flatbush, 681-2244
technical committee

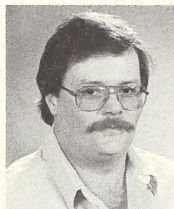


Lyle Keyes
Carrot Creek, 795-2234
government affairs
committee

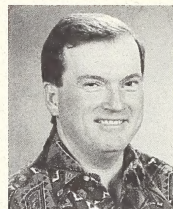
ALBERTA CATTLE COMMISSION DELEGATES



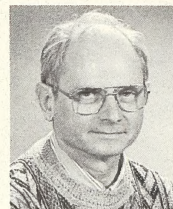
Don Good
Vermilion, 853-2220
producer liaison
committee



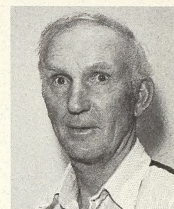
Lyndon Mansell
Innisfree, 592-2262
public affairs committee



Lloyd McLaughlin
Mannville, 763-2196
market development
committee

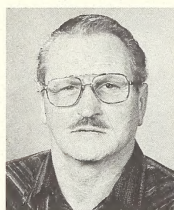


Frank Postill
Plamondon, 798-2431
technical committee
chairman



Don Selte
Vermilion, 853-2484
producer liaison
committee

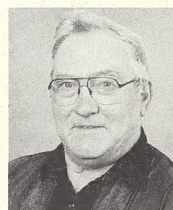
ZONE 8:
Counties
13, 19, 21,
24, 27, 30;
M.D. 87;
I.D.s 18, 24



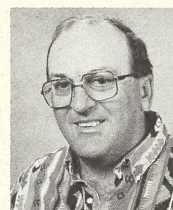
Alex Broadbent
Lac La Biche, 623-4374
government affairs
committee



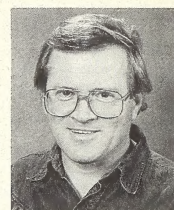
Blake Cherry
Lloydminster, 875-6404



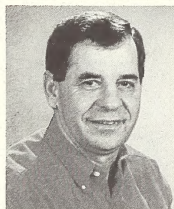
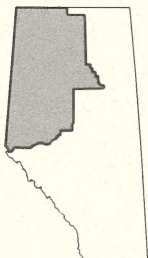
Raymond Konieczny
Mannville, 763-2304
promotion committee



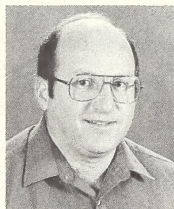
Ray Murphy
Bonnyville, 826-5477
technical committee



Cliff Swan
Lac La Biche, 623-2831
technical committee



Bob Balisky
Debolt, 957-2247
promotion committee

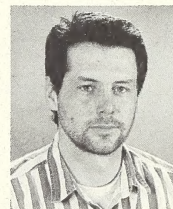


Philip Fazikos
Deadwood, 836-2299
public affairs committee

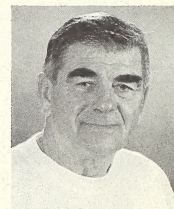


NO PHOTO
AVAILABLE

Greg Griffin
Bluesky, 835-4903
technical committee



John McNaught
Woking, 774-2248
public affairs committee

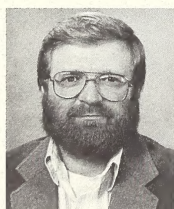


Mel Toews
Beaverlodge, 354-2787
producer liaison
committee

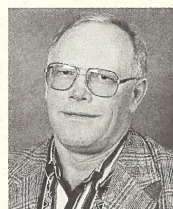
ZONE 9:
County 1; M.D.s
130, 133, 135, 136;
I.D.s 16, 19, 20, 21,
22, 23 and that
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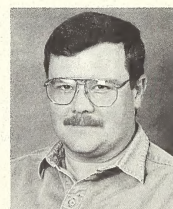
Gary Creelman
Fairview, 835-4645
market development
committee



Garry Gurtler
North Star, 836-2125
government affairs
committee



Cec Jardine
Valleyview, 524-3507
producer liaison
committee chairman



Grant Kerik
Beaverlodge, 354-8053
government affairs
committee



Vic Patrick
Eaglesham, 359-2211
technical committee

The Alberta Cattle Commission elects directors to the Canadian Cattlemen's Association (CCA) responsible for national and international lobbying, and to the Beef Information Centre (B.I.C.) responsible for national promotion.

CCA Directors:

Tim Andrew (zone four)
David Andrews (zone one)
Kim Hanson (zone two)
Larry Helland (zone one)
Larry Sears (zone two)
Ben Thorlakson (zone three)
Jim Turner (zone three)
Alternate: John Prentice (zone six)

B.I.C. Directors:

Bob Balisky (zone nine)
Chuck Groeneveld (zone three)
Mabel Hamilton (zone five)
Kim Hanson (zone two)
Joan Hughson (zone one)
Marvin Molzan (zone six)



ACC honors "Crow killers"

Although in the end it was government budget cuts and not the lobby efforts of the beef industry which caused the termination of the Crow Benefit program, the Alberta Cattle Commission (ACC) made a special presentation at the annual general meeting to recognize the efforts of three individuals who were instrumental in the beef industry's attempt to change the Crow. **Richard Davies and Stan Price** of the Alberta Feed Grain Users and former ACC general manager **Chris Mills** (outside right photo) were presented with special original pen and ink sketches commemorating the demise of the Crow. While accepting the awards, all three were quick to acknowledge the efforts of a number of others who helped with the cause.

ACC considers new strategic plan

In the summer of 1995, the Alberta Cattle Commission (ACC) board of directors began a strategic planning process to develop a five year business plan to help the ACC position the industry to thrive into the next century.

The draft plan was presented at the fall producer meetings and reaction was brought to the annual general meeting (AGM) for debate (see executive resolutions, page 4). ACC delegates reworked the draft plan at the AGM and will seek local producer input with the aim to reach agreement and approval of the new strategic plan at the ACC semi annual meeting in June 1996.

ACC delegates will be looking for opportunities to discuss the draft plan with producers for input before the June semi annual meeting. If you wish to comment on the draft plan, call your local delegates who are listed on pages 5-8.

The draft vision, mission and objectives are as follows:

Vision

"Alberta Beef - Leading the Way."

Mission

"To strengthen the sustainability and competitiveness of the Alberta beef industry."

Objectives

1. To advance proactive issues management in relation to the beef industry, the public and government.
2. To influence and fund beef organizations with similar goals.
3. To expand Alberta beef sales in targeted markets.
4. To enhance product quality to meet consumer demands.
5. To enhance our alliances with other groups within the beef industry (other cattle organizations, packers, retailers, etc.) and maintain a credible, broad-based beef organization.

Industry helps develop new beef products

The cattle industry has set aside \$2.35 million for new product development from a beef industry development fund created by the early termination of the NTSP. The objective is to increase the proportion of value-added products available to foodservice and retail customers.

The monies will assist food companies to invest in new product development. These funds can be used for product development costs, packaging costs and market research.

To oversee this project, an advisory group comprised of a new product consultant, a beef producer, and representatives from the retailing and packing/processing industries has been established.

The advisory group's criteria for selecting new product ideas includes potential for increased consumption, better carcass utilization, capability and commitment of the company, potential for profitability and competitive differentiation. They will also look at barriers to commercialization.

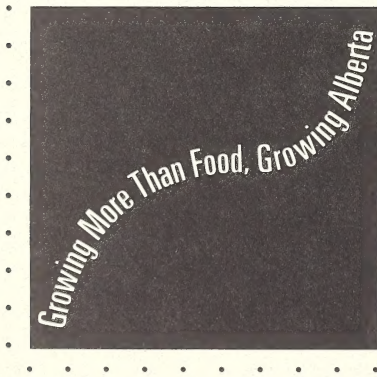
To date, the advisory group has received and reviewed applications for 20 product concepts. Sixteen were ranked by focus groups. Based on the focus group reports, four new product ideas will pass through a quantitative survey to have consumers select the two top concepts for further research, development and marketing. The intent is to have several product concepts go through a similar process each year.



Growing More Than Food, Growing Alberta

An ambitious public awareness campaign designed to educate young consumers about agriculture's environmental and economic success story is underway. The three-year, \$750,000 program called **Growing More Than Food, Growing Alberta** will feature extensive use of television and print advertising to reach consumers.

The program is primarily funded by the Canada Alberta Environmentally Sustainable Agriculture Agreement - a federal-provincial program with a mandate to identify and implement conservation research, technology transfer and public awareness initiatives to ensure environmental sustainability within the agriculture sector.



Growing Alberta was launched to 450 leaders in the agri-food industry including producers, retailers, distributors, researchers, processors and others (outside left photo). Industry is actively being encouraged to contribute additional funds and expertise to extend the effectiveness of the program. The ACC has committed \$50,000 to the first year of the program and contributed staff time and expertise to the organizing committee.

The need for the program was identified after a 1994 market research study found that while urbanites have some appreciation for agriculture and its contribution to the Alberta's growth, many have little knowledge about the scope and diversity of the industry. More importantly, Albertans want to know what the industry is doing to look after the environment.

Dealers' rebate increased

Delegates at the Alberta Cattle Commission (ACC) annual general meeting approved an increase in the dealer's rebate from \$0.01 to \$0.03 per head. The rebate is paid to compensate dealers and auction markets for the time and effort in collecting and remitting the \$1.50 per head check-off on behalf of the ACC.

The ACC raised the issue with the Alberta Auction Markets Association (AAMA) to determine if the \$0.01 rebate was sufficient. Negotiations with the AAMA and the Alberta Livestock Dealers' and Order Buyers' Association led to the ACC board recommending that delegates at the annual general meeting approve the increase (see story on page 1). The increase will be implemented April 1, 1996 concurrent with the beginning of the ACC's fiscal year.

***CAP needs
volunteers
like you!***

The Classroom Agriculture Program which teaches urban and rural grade four students about agriculture is in need of volunteers to meet this year's demand. Volunteers attend a training seminar and use a manual to which they add their own experiences. Some classes may be turned down if not enough volunteers come forward. If you can help call Elaine Deeg at the Alberta Cattle Commission office at (403) 275-4400.

**ACC Market
Information
Service**

**Slaughter Cattle
Information
(403) 274-4340**

**Feeder Cattle
Information
(403) 274-4345**



**ALBERTA CATTLE COMMISSION
1995 ANNUAL REPORT**

1

Chairman's Address to ProducersBen Thorlakson
ACC Chairman**New Communication Ideas**Arno Doerksen
Producer Liaison Committee Chairman

2

3

Educating Our Customers and OurselvesCharles Westra
Public Affairs Committee Chairman**Promotion Through Consumer Education**Kim Hanson
Promotion Committee Chairman

4

5

CAP - A History of SuccessTim Andrew
CAP Committee Chairman**Beef Promotion in Your Home Town**Dawn Oatway
Beef Education Association President

5

6

Developing New and Current MarketsDale Wilson
Market Development Committee Chairman**Financial Statements and Budget of the
Alberta Cattle Commission**

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Turning New Technologies Into AdvantagesBlake Cherry
Technical Committee Chairman**Facing Regulatory and Legislative Challenges**Jim Turner
Provincial Affairs Committee Chairman

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Building Industry ConsensusPat Rutledge
Cattle Industry Committee Chairman**Alberta's National Influence**Larry Sears
Alberta's Executive Director to the CCA

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Beef's Advertising InvestmentMabel Hamilton
Beef Information Centre Chairman

CHAIRMAN'S ADDRESS TO PRODUCERS

This is the 25th anniversary of the Alberta Cattle Commission (ACC). Since 1970, our industry has witnessed some profound changes. Our cattle numbers have increased over 50 per cent but the major change has been the development of a feedlot industry within Alberta. Shipping feeder cattle to Ontario has now become a rare event while in the late '70s Western Canada shipped 600,000 feeders a year. Alberta now produces 1.7 million grain fed cattle annually and has developed North America's most modern meat packing infrastructure.

This year brought the Alberta cattle industry many opportunities and challenges. In the feeding sector, rising barley prices and declining slaughter cattle prices have put recent marketings into a loss position. However, feeders are eagerly awaiting the much heralded doubling of capacity of Alberta's two largest packers, Cargill and IBP/Lakeside, scheduled for completion in 1996. If packing capacity is expanded as projected much of the fed slaughter cattle and cull cows that are currently exported live to the United States will now be slaughtered here in Alberta.

Profitability in the past few years has nurtured optimism in the cow/calf sector and cattle producers continue to expand their cow herds. Yet industry analysts say that the cattle cycle may be nearing the end of the expansion phase. High feed costs and the resulting sharply lower calf and yearling feeder prices may hasten this move. Over the long term, Alberta is the most competitive region in North America to raise and feed cattle. I believe we can still boast the Alberta advantage is alive and well in the

cattle industry.

It is perhaps fitting that we should pause at this 25th year and re-examine the ACC: its mandate, representation and operating structure. To this end, the ACC has embarked on a reassessment of its 1991 strategic plan. This action is both timely and appropriate. As a proactive organization, it is the board's feeling that the ACC must continually seek ways to strengthen and streamline its organization. We must re-evaluate our priorities and challenge ourselves to ensure the ACC stays focused and remains fully accountable for the funds entrusted to it. Producers are invited to participate and critique a revised strategic direction at the fall meetings.

Our work should complement that of the Canadian Cattlemen's Association (CCA). It is also incumbent upon us to continue to seek out ways to work more effectively with other cattle organizations in the province. The ACC must be structured such that resources are prudently directed to address the concerns of all sectors: cow/calf, backgrounders and feeders to strengthen the comparative advantage of the Alberta cattle industry. In addressing these and other questions, the strategic planning process will request input from cattle producers, government and cattle organizations before ACC delegates and directors set to work to draft a proposal. The process will be thorough to ensure that all suggestions are carefully evaluated before a new course is considered by the zones and the annual general meeting.

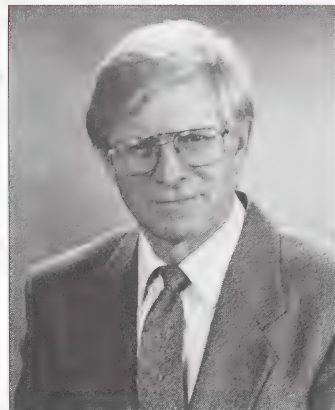
The ACC committees have been very active this year. The provincial affairs committee has addressed issues such as Special Places 2000, private logging, grazing leases and development work on the new Water Conservation and Management Act. ACC Delegate David Andrews of Brooks is to be commended for the time and energy he committed to the process. He represented the agricultural sector admirably.

The public affairs committee is involved with a number of projects ranging from water quality to range management courses.

This year again **Classroom Agriculture Program** volunteers fanned out across the province to enthusiastically take the message to grade four students. As well, the **Beef in the Classroom** program has allowed us to work with urban Food Studies students.

The board also approved additional funds to extend the Beef Information Centre's **A Matter of Fat** resource to further communicate the beef nutrition story to doctors and nutritionists across Canada.

You may have noticed that *Cattlemen* and *Alberta Beef* magazines are now carrying the *Grass Routes* newsletter as our producer liaison committee continues to



**ACC
Chairman**

**Ben
Thorlakson**



BOARD OF DIRECTORS

(left to right): Larry Helland, Lomond; Cec Jardine, Valleyview; Jim Feist, Cleardale; Tim Andrew, Youngstown; Blake Cherry, Lloydminster; Pat Rutledge, Monitor; Larry Sears, Stavelly; Arno Doerksen, Gem; Charles Westra, Gibbons; Ben Thorlakson, Carstairs; Karl Schneider, Mannville; Dale Wilson, Rosedale; Jim Turner, Cochrane; Kim Hanson, Cardston; Arnold Hanson, Viking; Gary Sargent, General Manager

explore new and innovative ways to get our message out to producers.

The market development committee has been working diligently to support the Canada Beef Export Federation's efforts to expand markets in Asia.

The technical committee has funded a number of research projects including a quality baseline analysis which will establish a benchmark for non-conformities in cattle received at major packing plants across Canada.

Our literature review regarding the interface between the petroleum and cattle industries was nearing completion when ongoing contractual difficulties with one consultant caused the project to be delayed.

Your directors to the CCA have been diligent in their efforts. The regulation changes for Bluetongue testing of breeder cattle imported into Canada should receive final approval by October of this year. Discussions have been held with Montana and other U.S. states to move toward adopting less restrictive regulations on movement of breeding cattle into the United States. Montana is seeking support for a proposal to relax testing requirements on breeding cattle destined for Montana. The foreign trade committee has continued to present concerns on the tariff rate quota and other trade matters. Grading privatization is scheduled to take place April 1, 1996. This has placed a heavy responsibility on the grading committee which has spearheaded the transition process. The privatization will be providing both opportunities and challenges

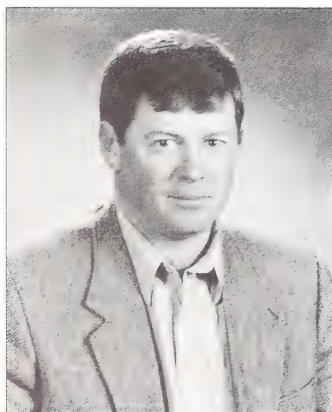


ALBERTA CATTLE COMMISSION STAFF:
sitting (left to right): Ron Glaser, Public Affairs Coordinator; Joanne Lemke, Manager, Public Affairs; Marjorie Mann, Research Coordinator
standing (left to right): Michael Kuntz, Manager, Operations & Administration; Teresa Porter, Receptionist; Julie Pidhirney, Office Manager; Gary Sargent, General Manager

for CANFAX as they make changes to fill the void on information retrieval from the packers and international trade. It promises to be an interesting year ahead.

I'd like to thank Gary, Joanne and the staff for all their hard work.

Ben Thorlakson, Carstairs
Chairman



**Producer
Liaison
Chairman**

**Arno
Doerksen**

NEW COMMUNICATION IDEAS

The Alberta Cattle Commission (ACC) began a new service to Alberta broadcast media in May via an 1-800 News Line. The service provides media with cattle industry news and voice clips that can be used directly or as part of an expanded story. While the goal of this program is to increase media coverage of cattle industry news important to producers, the service may also appeal to consumer media. To this point the 1-800 News Line has been well-received.

You may have noticed that our *Grass Routes* newsletter is now being carried in *Alberta Beef* and *Cattlemen* magazines. Individual copies of the newsletter will con-

tinue to be sent to producers who request them (look for a clip coupon on page two of this issue of *Grass Routes*). The October annual publication of committee and financial reports and the January annual general meeting update will continue to be sent individually to all producers on our mail list.

The ACC has begun sponsorship of two annual 4-H scholarships. We continue to provide the CANFAX market reports on a daily basis and have maintained our association with Rural Crime Watch.

There are delegate elections in six of the nine zones. As part of the review of the long-term strategic plan we will request cattle producer input into the mandate and activities of the ACC at the fall meetings. We would urge all cattle producers to attend an ACC meeting in your area this fall.

Arno Doerksen, Gem
Producer Liaison Committee Chairman

EDUCATING OUR CUSTOMERS AND OURSELVES

The public affairs committee continues to work actively on several issues facing producers:

- water quality
- range management
- riparian habitat management
- Environmental Stewardship Award
- Alberta Foundation for Animal Care
- discussions with Ducks Unlimited and the North American Waterfowl Management Plan
- endangered species.

Water Quality

The Alberta Cattle Commission (ACC) became actively involved in the issue of the effect of the cattle industry on surface water quality when the Innisfail water treatment plant complained about the time and cost of treating spring run-off from livestock operations upstream. The ACC, in cooperation with Environmental Protection and Alberta Agriculture worked with affected producers to start correcting the problem.

In dealing with this issue, we became aware that the ACC needed to develop new ways of educating producers of the need to make good water quality a priority through proper management practices.

The ACC, in cooperation with Environmental Protection, hopes to identify trouble spots and come up with solutions before they escalate to a larger industry and environmental problem.

Range Management Courses

Public Lands, with the help of the ACC, held courses in Big Valley, Peace River, Rocky Mountain House and Maycroft. The course material was made available through Lethbridge Community College and included benefits of proper range management.

Riparian Habitat Management

This program, in its third year, was initiated to encourage good management practices by agricultural producers to protect fish and wildlife ecosystems.

There are five sites on working ranches in southern Alberta that demonstrate these riparian management practices.

Environmental Stewardship Award

The fourth annual Environmental Stewardship Award will be presented at the ACC annual general meeting. The public affairs committee's work surrounding this award has become an important and exciting effort.

The three nominations for this year are: Don & Randee Halladay of Rocky Mountain House, Wilbur and Melva Stewart of Big Valley and Brian and Debra Berg of Duchess. Congratulations to all the nominees for their

effort and commitment to the environment. This program shows the public that we as a cattle industry are environmentally friendly, conscientious and our industry is an asset to the community as a whole.

Alberta Foundation for Animal Care (AFAC)

AFAC has completed the cattle industry's perspective of livestock transportation density levels. These findings were ratified by the ACC, the Alberta Cattle Feeders' Association and the Western Stock Growers' Association and then forwarded to Alberta Agriculture and the Canadian Cattlemen's Association.

AFAC promotes the humane treatment of farm animals. A key activity is the animal care ALERT action line and resource team. Producers and the public can report any livestock and poultry concerns to 1-800-506-CARE (2273). Trained producer volunteers then work with producers to resolve the situation.

Ducks Unlimited

Discussions are ongoing with these special interest groups and we continue to strive for an equitable solution to our differences. This effort is hampered by the fact that some of these special interest groups are based in the United States. Difficulties arise when agricultural producers compete with these groups in purchasing property. Waterfowl also create their own unique habitat around bodies of water and the plant growth and disease potential often comes in conflict with agricultural activity. We need to keep the channels of communication open so that we are aware of their long term agenda and they remain aware of producers' concerns.

Endangered Species Act

The federal government has introduced an Endangered Species Act that is very similar to the U.S. legislation. We continue our efforts in lobbying the government on behalf of producers. Although we see the need to be stewards of the environment we must ensure that there is a fair balance between the rights of the property owner and protection of the environment.

We as a committee will continue to carry on our responsibilities to influence government, influence consumers and educate producers about the importance of our relationship to the environment and each other.

Thanks to all the committee members for their work and continued cooperation. Reputation produces conviction.

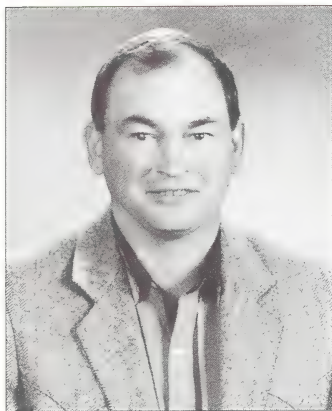


**Public Affairs
Chairman**

**Charles
Westra**

Charles Westra, Gibbons

Public Affairs Committee Chairman



**Promotion
Chairman**

Kim Hanson

PROMOTION THROUGH CONSUMER EDUCATION

Earlier in the year, the promotion committee sponsored a consumer panel for the Alberta Cattle Feeders' Association (ACFA) convention. The panelists represented a cross section of Calgary consumers, and producers were able to get a firsthand impression of how the consuming public views beef. The intent of the panel was to demonstrate to producers the continuing necessity of promoting beef to consumers.

The Alberta promotion committee has requested, and is receiving on a regular basis, activity and financial reports from the Beef Information Centre (B.I.C.) for distribution to ACC delegates and producers.

The *Beef in the Classroom program* was offered again to Edmonton and Calgary high school home economic students and was very well received. It was the second time for many schools. The ACFA offered \$5,000 to expand the *Beef in the Classroom Program*. Management of the program will remain the responsibility of the ACC promotion committee. We sincerely thank the ACFA for this contribution and are currently working on the expansion to Lethbridge.

The *Classroom Agriculture Program* (CAP) was again successfully presented for the eleventh year. Over 27,500 students, 678 schools and 600 volunteers participated. Judy Fenton of Irma steps down as chair of the CAP committee following the 1995 program. Tim Andrew of Youngstown takes over for 1996. Thanks Judy for a job well done (a more in-depth CAP report follows the promotion report).

A subcommittee was formed with the market development and producer liaison committees to investigate the feasibility of hiring a market support person to visit retail and foodservice establishments in Alberta.

A workshop was held April 25 in conjunction with a

committee meeting to define strategies and revisit the mandate for the promotion committee. Simply stated the mandate of the promotion committee is the promotion of beef in Alberta. The promotion committee budget was divided into fixed costs, i.e. committee expenses \$25,000; CAP \$32,000; Beef Education Association \$60,000 (includes promotion materials); leaving \$111,000 of a \$228,000 budget for discretionary programs.

School programs was identified as a hole in the B.I.C.'s coverage and identified as our top priority. Important but secondary is education of consumers and promoting beef by direct effort towards retail and foodservice sectors.

In cooperation with XL Foods Ltd., up to \$5,000 will be spent primarily for in-store product demonstrations for the expansion of their branded Alberta beef program.

The Alberta Summer Games in Stony Plain, Spruce Grove and Parkland County received \$3,000 for promotion materials. The ACC promotion committee was also a partner in the *Team Eat Beef* chuckwagon promotion.

Alberta promotion continues with its membership in the *Agriculture Education Network* and the *Alberta Food Processors Association* for 1995.

Because of an Industry Canada position, the promotion committee is considering changing the *Alberta Superior Grain Fed Beef* logo to something more acceptable to the government.

The promotion committee strongly supported financial assistance given to the B.I.C. to further distribute the *A Matter of Fat* resource to doctors and dietitians. We felt this was an excellent way to utilize some of producers' equity.

One new idea being developed by Alberta promotion is communicating beef information, possibly *A Matter of Fat*, to urban high school students.

I would like to thank the promotion committee members for their time and influence and a special thanks to the staff (Joanne) for their support, effort and dedication.

**Kim Hanson, Cardston
Promotion Committee Chairman**

CAP - A HISTORY OF SUCCESS

The 1995 Classroom Agriculture Program (CAP) was once again very successful with over 600 volunteers visiting 678 schools. Volunteers presented the story of food production to 1,172 classrooms reaching 27,500 eager and attentive students.

This year, as always, the success of this program depended on you, the farmers and ranchers, who have taken the time to develop and present your own story of agriculture.

It is not only the people who are on the land who are telling our story, but the agri-banking, college and university agriculture students, Alberta Agriculture staff and other sources help supply the "human" power to take our message to the schools.

For the past decade CAP has presented the real message about how dinner gets to the plate to almost 250,000 students. Every year the call for presentations exceeds our volunteer base, especially in the cities where we really need to make people realize that grass is more than something to play on. To everyone who supports the CAP concept, I urge you to help recruit volunteers. We all have friends who have different operations and products which will intrigue a young mind.

As for our dedicated volunteers, thank you. Maybe your next challenge will be a CAP visit to the city. Your experience in your local school will serve you well. It has always been volunteers that make the program work.

Tim Andrew, Youngstown
CAP Committee Chairman

BEEF PROMOTION IN YOUR HOME TOWN

The volunteers of the Beef Education Association (BEA) continue to take the story of beef to trade shows, fairs, field days, conventions, 4-H functions and stores across Alberta. We tell the story to the consumer, the producer, the converted beef eater and the non-converted. We talk about environment, nutrition, by-products and fat.

We are always looking for new ways to deliver our message and consequently in June we tried something different by joining forces with the canola producers to take our message to the 1995 National Home Care Conference in Edmonton. We hired a nutritionist to talk to

these health caregivers. Most of these people are very health conscious and believe that five per cent fat in their daily diet is too much. It's very important to reach this kind of an audience; perhaps something we say will stick with them and be passed on to their clients.

We would like to welcome Sue Morrison of High River as co-coordinator of zone three. We were sorry to receive Marie Bradshaw's zone five resignation in June. Marie has spent many hours volunteering over the past years. We will miss her.

The BEA is looking for volunteers to fill positions in zones five, six and seven.

Dawn Oatway, Grande Prairie
Beef Education Association President



Market Development Chairman

Dale Wilson

DEVELOPING NEW AND CURRENT MARKETS

The market development committee's purpose is to pursue opportunities for marketing more Alberta beef continentally as well as working with the Canada Beef Export Federation (CBEF) to gain a share of the Pacific Rim market (a more in-depth CBEF report follows the market development report).

In Eastern Canada we have been involved in three projects and a trade mission. In the first project, we assisted two large trading partners in a beef merchandising training program at their Ontario location.

In the second project, we partnered with Alberta Agriculture to translate the Alberta beef video into French. This video has been circulated to 15 Quebec suppliers and retailers as well as the Beef Information Centre's (B.I.C.) Montreal office.

In the third project, we assisted a major Quebec foodservice supplier with a beef advertorial in a national foodservice magazine. This supplier uses a certified Alberta beef program and projects sales of \$5 million in 1995. Ninety per cent of their supply is *Alberta beef*.

The trade mission consisted of myself and Dave Rous of Alberta Agriculture visiting 21 major Ontario and Quebec retailers and foodservice purveyor outlets. We observed how Alberta beef is positioned in these markets and discussed beef marketing issues with them. As these two markets absorb more than 40 per cent of Alberta beef production, the market development committee undertakes an Eastern trade mission with Alberta Agriculture each year with marketing opportunities in mind.

The market development committee is developing a new beef foodservice manual to ensure future chefs and meat buyers throughout Canada find beef easy to buy and prepare. A working group has been formed from culinary schools, the foodservice sector, the market development committee and the B.I.C. to develop this manual. The project will be completed by the end of the year and distributed in 1996.

As directed at the 1994 annual general meeting, the market development committee has been exploring development opportunities for increased beef sales in Alberta. Research indicates that the market for Alberta beef in the foodservice industry could expand with a targeted direct marketing approach. Some elements include:

- feature programs with selected foodservice suppliers and providers,
- provision of point of sale materials,

- center of the plate consulting service,
- menu development,
- promotional and educational material distribution,
- new product development, and
- collaboration with foodservice suppliers and providers.

As the Alberta Cattle Commission (ACC) does not have experience in direct marketing, the B.I.C. was asked to manage an Alberta beef marketing project. This project will be funded by the ACC and supervised by an ACC steering committee. The B.I.C. will report the progress of the project on a regular basis to the steering committee.

The market development committee continues to allocate the major portion of its budget to CBEF. We increased our contribution from \$200,000 to \$300,000 in both 1994 and 1995. This was in order to utilize matching government funding. ACC members felt it was a good investment of check-off funds.

Beef markets are still expanding in Asia. During 1994 the volume of Canadian beef and veal product exports to Asia was 11,582,000 kg. This was a 58 per cent increase over 1993.

On April 20, 1995 Canada A graded beef was registered as high quality within South Korean import regulations. This registration is the culmination of a five year effort to gain international recognition of Canada's three high quality grades in Korea. In 1992, Canada AAA graded beef was registered and in 1993, Canada AA graded beef was registered. This last registration will allow Canada to move forward with aggressive bidding on all grain fed beef tenders in South Korea.

Canada has increased its beef and veal product exports to Japan by over 102 per cent and to the rest of Asia by over 197 per cent since the formation of CBEF in 1990.

As a result of a reduction in tariffs, acceptance of A, AA, and AAA graded beef and a stronger CBEF presence, Canadian beef and veal exports to Asia are forecast to nearly double in 1995 over 1994, from 11,582 tonnes to 22,582 tonnes or 135,000 cattle equivalents.

As well as financial support to CBEF, the market development committee plays a role in hosting incoming trade missions. The ACC's role is to supplement packer presentations by describing our production methods and Canada's overall ability to supply beef. The market development committee hosted three missions in 1995. The first included Hong Kong importers and distributors actively operating in China. The second mission involved Korean buying officials and took place days after Korea registered single A for their market. It was an opportune time to thank them personally for this regulatory change. The third group was a Japanese VIP beef awareness mission in July.

Thanks to the members of the market development committee and Marjorie Mann for their interest and participation. It has been a productive year.

Auditors' Report

TO THE DIRECTORS AND ZONE REPRESENTATIVES

We have audited the balance sheet of the Alberta Cattle Commission as at March 31, 1995 and the statements of operations and producers' equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

KPMG Peat Marwick Thorne

Chartered Accountants

Calgary, Canada
May 12, 1995

ALBERTA CATTLE COMMISSION

Balance Sheet

March 31, 1995, with comparative figures for 1994

	1995	1994
Assets		
Current assets:		
Cash and short-term investments	\$2,732,037	\$2,564,520
Fees receivable	587,733	637,240
Interest receivable and other	126,304	108,413
	3,446,074	3,310,173
Capital assets (note 1)		
	47,373	43,586
	\$3,493,447	\$3,353,759

Liabilities and Producers' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 142,885	\$ 155,120
Producers' equity		
	3,350,562	3,198,639
Commitments and contingency (note 2)		
	\$3,493,447	\$3,353,759

See accompanying notes to financial statements.

Approved by the Board:



Ben Thorlakson, Chairman



Karl Schneider, Finance Chairman

ALBERTA CATTLE COMMISSION

Statement of Operations and Producers' Equity
Year ended March 31, 1995, with comparative figures for 1994

	1995	1994
Revenue:		
Fees	\$5,563,444	\$5,494,115
Less dealers' rebates	37,628	37,717
	5,525,816	5,456,398
Investment income	211,323	155,348
	5,737,139	5,611,746
Expenses:		
National promotion and Beef Information Centre	2,880,001	2,670,000
Canadian Cattlemen's Association	371,349	384,710
Board and Delegates:		
General meetings	121,378	118,640
Board meetings	82,847	66,949
Zone	44,750	48,520
Elections	37,270	63,006
Executive	31,499	38,928
Project expenses:		
Technical	484,964	387,157
Market Development	335,585	190,955
Promotion	255,431	180,002
Producer Liaison	239,407	253,740
Public Affairs	69,568	52,697
Provincial Affairs	28,713	31,082
National Affairs	6,733	5,733
Cattle Industry	4,681	1,570
Project management, operations and administration	518,512	494,311
Legal and audit	50,363	242,764
Plebiscite	693	62,621
Depreciation of capital assets	21,472	21,537
	5,585,216	5,314,922
Excess of revenue over expenses	151,923	296,824
Producers' equity, beginning of year	3,198,639	2,901,815
Producers' equity, end of year	\$3,350,562	\$3,198,639

See accompanying notes to financial statements.

ALBERTA CATTLE COMMISSION

Statement of Changes in Financial Position

Year ended March 31, 1995, with comparative figures for 1994

	1995	1994
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 151,923	\$ 296,824
Add (deduct) items not involving cash:		
Depreciation of capital assets	21,472	21,537
Gain on disposal of capital assets	(398)	(2,812)
	172,997	315,549
Change in non-cash working capital	19,381	(109,996)
	192,378	205,553
Investments:		
Additions to capital assets	(25,341)	(24,422)
Proceeds on disposal of capital assets	480	3,351
	(24,861)	(21,071)
Increase in cash position	167,517	184,482
Cash position, beginning of year	2,564,520	2,380,038
Cash position, end of year	\$2,732,037	\$2,564,520
Cash position consisted of:		
Cash	\$ 394,135	\$ 363,396
Government-secured investments	2,337,902	2,201,124
	\$2,732,037	\$2,564,520

See accompanying notes to financial statements.

ALBERTA CATTLE COMMISSION

Notes to Financial Statements
Year ended March 31, 1995

General:

The Alberta Cattle Commission operates under the regulations of the Marketing of Agricultural Products Act of the Province of Alberta for the purpose of improving the economic well-being of the cattle industry in Alberta. Under the regulations of the Act, the Commission is entitled to levy a service charge on cattle marketed in the Province of Alberta. The service charge allowed for the current period was \$1.50 per head. This service charge is deducted from the proceeds payable to the seller and is remitted to the Commission by each licenced livestock dealer.

1. Capital assets:

			1995	1994
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	\$22,594	\$6,272	\$16,322	\$12,106
Furniture and fixtures	70,462	39,411	31,051	31,480
	\$93,056	\$45,683	\$47,373	\$43,586

Capital assets are stated at cost. Depreciation is provided on the straight-line basis using the following annual rates:

Asset	Rate
Computer equipment	33-1/3%
Furniture and fixtures	20%

2. Commitments and contingency:

- (a) Included in the balance of cash and short-term investments is an amount of \$75,000 held in trust on behalf of the Canadian Cattlemen's Association. Included in accounts payable and accrued liabilities is a corresponding provision reflecting the Commission's commitment to disburse these funds when called upon to do so.
- (b) The Commission leases office space and equipment under leases which expire at varying times over the next five years. The future minimum lease payments for each of the next five years are as follows:

1995 - 1996	\$ 68,720
1996 - 1997	68,720
1997 - 1998	67,016
1998 - 1999	64,712
1999 - 2000	16,728
	\$285,896

- (c) In September 1993 the Commission, the Alberta Agricultural Products Marketing Council and the Province of Alberta were successful in defending themselves against two legal actions in the Alberta Court of Queens Bench which confirmed the authority of the Commission to collect its service charge on cattle marketed. However, a Notice of Appeal has been filed against this judgment. The Commission will be responding to the appeal on the grounds that the trial judge was correct and the decision should be upheld. The potential impact on the Commission of any further proceedings in this matter cannot be determined at this time.

ALBERTA CATTLE COMMISSION

Operations Budget

	Proposed 1996/97 Budget		dollars per head	Current 1995/96 Budget	1994/95 Actual
Revenue:					
Fees	\$5,700,000	A	1.50	\$5,700,000	\$5,661,110
Less:					
Dealer's rebate	(114,000)	B	(0.03)	(38,000)	(37,628)
Promotion levy rebates on export cattle	0	C	0.00	0	(97,666)
	5,586,000		1.47	5,662,000	5,525,816
Investment income	190,000	D	0.05	150,000	211,323
Total revenue	\$5,776,000		1.52	\$5,812,000	\$5,737,139
Expenses:					
National promotion and Beef Information Centre	\$3,618,000	E	0.95	\$3,555,500	\$2,880,001
Canadian Cattlemen's Association	420,000		0.11	403,000	371,349
Board and delegates:					
General meetings	130,000		0.03	129,000	121,378
Board meetings	75,000		0.02	70,000	82,847
Fall meetings	56,500	F	0.01	64,000	37,270
Executive	40,000		0.01	45,000	31,499
Zone	49,700	G	0.01	48,250	44,750
Project expenses:					
Technical	500,000		0.13	430,000	484,964
Producer liaison	225,000		0.06	265,600	239,407
Promotion	257,500		0.07	228,000	255,431
Market development	580,000	H	0.15	310,000	335,585
Public affairs	117,150	I	0.03	81,500	69,568
Government affairs	50,000		0.01	62,000	35,446
Cattle industry	6,500		0.00	6,000	4,681
Project management, operations and administration	489,300		0.13	481,100	519,205
Legal and audit	135,800	J	0.04	135,500	50,363
Depreciation of capital assets	28,500	K	0.01	22,000	21,472
Total expenses	\$6,778,950		1.78	\$6,336,450	\$5,585,216
Change in producers' equity	(1,002,950)		(0.26)	(524,450)	151,923
Producers, equity, beginning of year	2,826,202			3,350,652	3,198,639
Producers' equity, end of year	\$1,823,252			\$2,826,202	\$3,350,562
Marketings	3,800,000			3,800,000	3,774,073

CAPITAL BUDGET

Computer equipment	\$23,000	0.01	\$15,000	\$12,619
Furniture and fixtures	10,000	0.00	10,000	12,242
	\$33,000	0.01	\$25,000	\$24,861

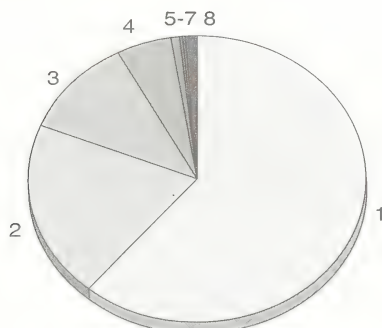
ALBERTA CATTLE COMMISSION

Notes to the Budget

- A. A review of the current level of marketings, along with an analysis of where the industry sits with respect to the cattle cycle has resulted in a decision to budget marketings consistent with the current fiscal year.
- B. The Alberta Cattle Commission (ACC) currently allows livestock dealers and auction markets to deduct one cent per head as compensation for collecting and remitting the check-off. The ACC has completed a review of the level of compensation with these groups and has determined that an increase of two cents per head is appropriate.
- C. After investigating the current circumstances surrounding the export of cattle into the United States it was determined that the export rebate program no longer fulfilled the original mandate, therefore the program was discontinued as of June 30, 1994.
- D. Investment income has been budgeted at an amount lower than the 1994/95 results. The decrease in producers' equity over the course of the year will result in an increasingly limited amount of funds being available for investment.
- E. The Beef Information Centre (B.I.C.) is the division of the Canadian Cattlemen's Association (CCA) whose mandate is the promotion of beef within the domestic market. Funding for the B.I.C. for the 1996/97 year will be at 95 cents per head.
- F. The Elections category was renamed Fall meetings to more accurately describe the costs assigned to this category. The decrease in the budget over prior year is due to an evaluation of how costs are assigned to this account.
- G. The zone budgets covers the cost associated with local zone activities. This includes zone committee, producer meetings and local functions organized by the zone committee.
- H. Market Development has committed \$300,000 to the Canada Beef Export Federation and \$200,000 to the ACC/B.I.C. marketing project. The remaining portion of the budget is for projects, trade shows and domestic market development programs.
- I. Public Affairs has decided to maintain their commitment to the Alberta Foundation for Animal Care (AFAC) at \$20,000 and to continue to provide members for the ALeRT response teams. In addition, the committee is involved with range management, surface water quality and riparian projects.
- J. The legal and audit budget for 1996/97 includes the costs of the appeal of Justice Montgomery's decision along with the legal costs of updating the ACC's marketing plan and regulations.
- K. Increase in depreciation costs is the result of a one time purchase of audio visual equipment for use by the zones. This will ensure that each zone has the equipment necessary to make effective presentations to producers.

Beef Information Centre and Canadian Cattlemen's Association Budgets 1995 - 1996

BEEF INFORMATION CENTRE BUDGET



Revenues

1. Alberta	\$3,555,500	61.3%
2. Ontario	1,150,000	19.9%
3. Saskatchewan	650,000	11.2%
4. British Columbia	300,000	5.2%
5. Manitoba	60,000	1.0%
6. Maritimes	10,000	0.2%
7. Breed associations	7,500	0.1%
8. Interest and other	63,000	1.1%
	\$5,796,000	100.0%

Expenses

1. Advertising	\$3,420,000	56.2%
2. Operations	791,925	13.0%
3. Retail	335,000	5.5%
4. Consumer education	275,000	4.6%
5. Foodservice	275,000	4.6%
6. Nutrition and health	273,000	4.5%
7. Public relations/media	270,000	4.4%
8. Industry liaison/product develop.	255,590	4.2%
9. Producer liaison	130,000	2.1%
10. Special projects	55,000	0.9%
	\$6,080,515	100.0%

Expenses over revenue

\$284,515

CANADIAN CATTLEMEN'S ASSOCIATION BUDGET

Revenues

Provincial assessments

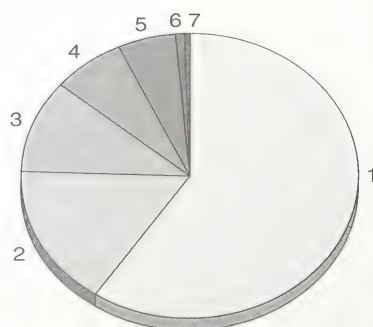
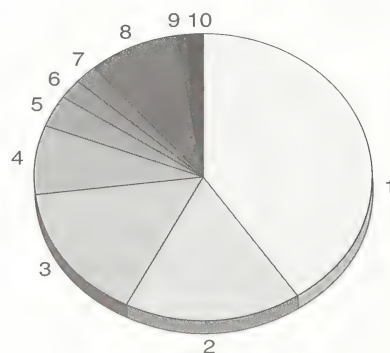
1. Alberta	\$387,916	40.7%
2. Ontario	162,195	17.0%
3. Saskatchewan	148,375	15.6%
4. Manitoba	74,519	7.8%
5. B.C.	34,581	3.6%
6. Maritimes	19,635	2.1%
7. Associations	19,750	2.1%
8. Convention	81,850	8.6%
9. Interest	10,200	1.1%
10. Other	13,900	1.4%
	\$952,921	100.0%

Expenses

1. Operations	\$562,642	59.5%
2. General meetings	152,470	16.1%
3. Environment	100,000	10.6%
4. Executive/finance	65,550	6.9%
5. Committee expenses	53,535	5.7%
6. CBI & CBBC	6,200	0.7%
7. Five country meeting	5,000	0.5%
	\$945,397	100.0%

Revenue over expenses

\$7,524



CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Income and Surplus

Year ended June 30, 1995, with comparative figures for 1994

	1995		1994	
Revenue:				
Assessments				
British Columbia	\$ 48,401	6%	\$ 44,172	5%
Alberta	369,072	42%	337,776	41%
Saskatchewan	144,052	16%	138,580	17%
Manitoba	68,236	8%	66,996	8%
Ontario	181,760	21%	203,160	24%
New Brunswick	5,713	1%	0	0%
Nova Scotia	7,766	1%	6,245	1%
Prince Edward Island	5,713	1%	6,760	1%
	830,713		803,689	
Interest	10,721	1%	8,321	1%
Other	34,286	4%	21,881	3%
Total revenue	\$875,720	100%	\$833,891	100%
Expenses:				
CCA division services	\$ 116,143	14%	\$ 119,629	14%
Calgary office	280,075	33%	277,992	32%
Ottawa office	150,825	18%	146,119	17%
Convention (net)	7,047	1%	5,752	1%
CCA executive committee	54,933	6%	56,762	7%
Finance committee	1,320	0%	2,757	0%
Annual meeting	48,458	6%	46,308	5%
Semi annual meeting	32,504	4%	23,735	3%
Animal health committee	19,038	2%	24,370	3%
Tax and credit/protection	579	0%	1,943	0%
Grading committee	7,190	1%	7,790	1%
Foreign trade committee	17,569	2%	19,642	2%
Stabilization/feed grains	5,602	1%	21,047	2%
Research/national check-off	5,113	1%	242	0%
5 Country	3,370	0%	3,000	0%
Environment	99,582	12%	99,874	12%
Beef breed/Genetic services	20	0%	2,772	0%
Total expenses	\$849,368	100%	\$859,734	100%
Excess (deficiency) of revenue over expenses	\$ 26,352		\$ (25,843)	
Surplus, beginning of year	140,782		166,625	
Surplus, end of year	\$167,134		\$140,782	

BEEF INFORMATION CENTRE

Schedule of Income and Surplus

Year ended June 30, 1995, with comparative figures for 1994

	1995		1994	
Revenue:				
Assessments				
British Columbia	\$ 311,687	6%	\$ 288,242	6%
Alberta	2,888,059	54%	2,670,000	52%
Saskatchewan	802,780	15%	782,390	15%
Manitoba	56,000	1%	60,000	1%
Ontario	1,179,911	22%	1,204,664	24%
New Brunswick	2,000	0%	0	0%
Nova Scotia	4,000	0%	4,000	0%
Prince Edward Island	6,000	0%	22,256	0%
Breed Associations	7,500	0%	7,500	0%
	5,257,937		5,039,052	
Sales of materials	9,687	0%	5,292	0%
Interest	75,933	1%	42,891	1%
Total revenue	\$5,343,557	100%	\$5,087,235	100%
Expenses:				
Advertising				
Media				
T.V.	\$2,397,238		\$2,366,895	
Magazines	500,738		432,507	
Production				
T.V.	70,345		182,604	
Magazine	63,552		30,707	
Talent	59,512		12,710	
Miscellaneous production	13,432		15,906	
Evaluation and research				
Evaluation - tracking study	51,577		53,183	
	3,156,394	60%	3,094,512	58%
Operations	775,573	15%	763,314	14%
New product development	130,162	2%	92,742	2%
Producer liaison	94,096	2%	101,089	2%
Special projects	102,088	2%	137,376	3%
Food service	130,899	2%	203,555	4%
P/R media activities	265,113	5%	192,923	4%
Nutrition program	163,934	3%	158,220	3%
Retail point of sale	329,523	6%	410,022	8%
Consumer education	126,461	2%	167,487	3%
Miscellaneous	0	0%	15,090	0%
Total expenses	\$5,274,243	100%	\$5,336,330	100%
Excess (deficiency) of revenue over expenses	69,314		(249,095)	
Surplus, beginning of year	779,137		1,028,232	
Surplus, end of year	\$ 848,451		\$ 779,137	

BEEF INDUSTRY DEVELOPMENT FUND

Schedule of Allocated and Committed Funds

June 30, 1995

1995		
Sources of Funding		
Federal	\$11,132,000	50%
British Columbia	656,000	3%
Alberta	8,200,000	37%
Saskatchewan	1,015,000	5%
Manitoba	555,000	3%
Ontario	352,000	2%
Total Funding	\$21,910,000	100%

	Allocated		Committed	
Expenses:				
Canadian Beef Export Federation	\$ 7,500,000	34%	\$ 7,500,000	58%
*Research	5,616,000	26%	1,000	0%
Beef Information Centre	5,200,000	24%	5,200,000	40%
*Training	1,922,400	9%	262,000	2%
Secretariat	46,000	0%	46,000	0%
Unallocated	1,641,600	7%	0	0%
Total expenses	\$21,926,000	100%	\$13,009,000	100%

The funding deficit will be overcome by interest earned on the invested balance.

* Research and Training Priorities

- 95 per cent plus customer satisfaction for beef tenderness
- Individual animal assessment - to apply higher value to superior cattle versus averaging
- Birth to slaughter information systems to advance product improvement and consistency
- Quality assurance initiatives
- An integrated food safety program for the Canadian beef industry

OPT-OUT FUNDS

Statement of Trust Fund
June 30, 1995

		1995
Funds:		
Funds received		\$5,472,815
Interest earned		241,626
Total funds		\$5,714,441
Expenditures:		
BSE Compensation payments	A	\$414,786
Special activities	B	629,576
Accounting fees		2,650
Bank charges		220
Total expenditures		\$1,047,232
Fund balance, end of year		\$4,667,209

After the termination of the National Tripartite Stabilization Program on December 31, 1993 the federal government returned remaining funds that has arisen from the early termination to industry. The Canadian Cattlemen's Association has been entrusted to administer the funds for the general benefit of NTSP producers for the following purposes:

Notes:

- A Making supplemental compensation payments, pursuant to the advice of the Industry Compensation Development Committee, to owners of cattle disposed of due to suspected exposure of Bovine Spongiform Encepholopathy.
- B Funding specific activities with the objective of promoting and enhancing the competitiveness of Canada's beef industry.
 - Video Imaging Analysis
 - Canada Beef Improvement
 - Research - beef tenderness
 - Beef Information Centre - beef strips
 - Inspection and food safety
 - border inspection
 - cull cow and tag score study
 - Grading - privatization
 - Bluetongue study

CBEF - SERVING CANADIAN BEEF WORLDWIDE

The Canada Beef Export Federation's (CBEF) mission is to expand and diversify export sales and market share of Canadian beef and veal products with sustained profit based on brand value and unique Canadian advantages.

The Federation and its members are identifying and developing key markets to increase the sale of Canadian beef and veal products with the cooperation of all companies, organizations, and institutions which will benefit from this success. CBEF's membership includes cattle producer organizations, beef exporters, key industry suppliers, and provincial and federal government departments. The ACC has consistently proven to be the largest private sector supporter of CBEF.

CBEF has aggressively promoted Canadian beef in priority Asian markets over the past year. New market research has been completed for the Hong Kong, Singapore, and People's Republic of China markets - identifying the opportunities and constraints of marketing Canadian beef for all members. Market access has been improved with the registration of Canada AA and A graded beef within Korea's central buying regulations. The image and profile of Canadian beef has been elevated through the completion of generic promotion programs in Japan, South Korea, Taiwan, and Hong Kong. New and experienced Canadian beef exporters have been assisted with the establishment and expansion of trade contacts. These four market development thrusts have significantly contributed to Canada's export growth of beef products.

Since CBEF's establishment in October 1989, annual sales of high quality Canadian beef products to Asia have more than doubled on a volume basis and more than quadrupled on a value basis. The Federation's goal is to export 115,000 tonnes (\$690 million) of beef and veal

products to Asia and Mexico by the year 2000. This is the equivalent of 690,000 fed cattle purchased by Canadian packers to serve these growing markets.

Canada experienced great sales success in Asia during 1994. Total Canadian beef and veal product shipments to Japan reached 8,443 tonnes (\$36,417,000), up 43 per cent by volume and 39 per cent by value from 1993. Total exports of Canadian beef and veal products to Asia - outside Japan, increased to 3,139 tonnes (\$12,127,000) in 1994, an 121 per cent gain, over 1993. This demonstrates concretely that Asian markets outside Japan are now, and will continue to be, major sources of new growth for our industry. Total exports to Asia and Mexico reached 13,095 tonnes (\$51,135,000) of beef and veal in 1994. This was the equivalent of over 78,000 fed cattle purchased by Canadian packers.

Sales statistics indicate that 1995 exports are once again increasing dramatically - up 69 per cent by value during the first six months of 1995 as compared to the same period in 1994. Further sales successes are expected through the remainder of 1995. Both 1996 and 1997 are expected to reflect major export gains, due in part to substantial beef processing capacity expansions in Alberta.

CBEF is working to export the highest "per-kilo" value beef in the world - concentrating on adding value in Canada. In addition to continued success of boxed beef, many new opportunities exist for Canada to export further processed beef and veal products such as portion ready foodservice cuts, individual quick frozen portions, retail case ready products, and a wide variety of ground, seasoned, cooked, cured and smoked products. Increasing exports of all beef products increases the demand for cattle - directly improving the bottom line for cattle producers in Alberta and across Canada.

Dale Wilson, Rosedale
Market Development Committee Chairman



**Technical
Chairman**

**Blake
Cherry**

TURNING NEW TECHNOLOGIES INTO ADVANTAGES

The Alberta Cattle Commission (ACC) technical committee was extremely active in 1995. Its purpose is to be involved with leading edge projects providing competitive advantages for the cattle industry into the 21st century.

There is an increasing awareness by cattle producers that we can no longer carry on business as usual. The safety and quality of our product must never be the factor which limits the cattle industry. We in Alberta are known worldwide for excellence in both areas. However, there are increasing competitive pressures that must make us even more vigilant in our efforts. The ACC is funding a baseline quality study to establish where we are today as well as provide a starting point to chart future progress. The study assesses cattle for manmade defects which costs the cattle industry a significant amount of money. The study will be completed in April 1996.

Once again the committee reviewed a wide array of interesting projects from research institutions as well as other producer groups. The committee chose projects with the highest potential for return to Alberta cattle producers. The projects funded are listed at the end of this report.

The ACC has teamed up with Alberta Agriculture, the Alberta Veterinary Medical Association and Pfizer Canada to assess the prevalence of Trichomoniasis in Alberta through testing high risk animals. It is apparent that there is a lot of interest in this particular disease. Without accurate prevalence data, it is extremely hard for anyone to establish a sound plan to limit the potential impact it may have on Alberta cattle producers. Results from this study will be available in late 1995.

In regards to the petrochemical study, the ACC is working with the Alberta Environment Center, the Canadian Association of Petroleum Producers, the Alberta Energy and Utilities Board, Alberta Environmental Protection and Alberta Agriculture to ensure a fair deal for producers when they interact with upstream petroleum industries. The ACC met with these parties to establish a working relationship oriented towards solutions. The study is a comprehensive review of research already done throughout the world. While the study raises more questions than it answers, we will approach both government and the oil industry to help find the answers.

The coming years will provide some unique challenges for research. There is no doubt that government funding for beef research is not accessible unless we as an industry are prepared to invest our own dollars. The

ACC research program will be looked at closely with an eye to a national perspective. Most of the projects funded by the ACC provide benefit to the entire beef industry. There is also no doubt that the practical perspective provided by producers to researchers through funding will result in a more focused beef research approach.

The potential payback from research is enormous. There are opportunities from production to beef sales which only require the courage and funding to make them a reality. Let's make it happen.

**Blake Cherry, Lloydminster
Technical Committee Chairman**

ACC FUNDED RESEARCH PROJECTS

- Total Quality Baseline Study
- Feed Additive X and Feed Efficiency
- Near Infrared Reflectance Spectroscopy (NIR) to Evaluate Quality of Barley Greenfeed, Silage and Straw
- ACFA Impact of Cattle Feeding on Local Economies
- Effects of Livestock, Wildlife and Forest Harvesting on Aspen
- Effects of Livestock, Wildlife and Forest Harvesting on Lodgepole Pine Regeneration
- Use of Condensed Tannins to Reduce the Occurrence of Bloat and Enhance the Utilization of Forage Protein in Ruminants Fed Fresh Alfalfa
- Rapid and Sensitive Method for Diagnosis of Leptospirosis
- A Simple, On-line Processing Method for Improving Tenderness in the Beef Loin
- Ground Beef: Verification of the Hygienic Adequacy of the Process of Production
- Mapping Economic Trait Loci for the Evaluation of Breeding Values for Carcass and Maternal Traits in Beef Cattle
- Role of Cholecystokinin in Controlling Feed Intake in Ruminants
- Use of Straw and a Novel Feed Additive to Maximize Health and Performance of Feedlot Cattle
- Effective and Practical Vaccination of Beef Calves for the Prevention of Respiratory Disease
- Liposomes as Delivery Systems to Improve Vaccine Safety and Efficacy
- Application of the Association of 3-Methylindole with Acute Atypical Interstitial Pneumonia in Feedlot Cattle
- Improved Vaccination Regimes Using DNA
- In Situ Hybridization Detection of Interleukin-8 mRNA in Inflamed Bovine Tissues
- Integrated Control of the Northern Pocket Gopher and the Richardson's Ground Squirrel
- Shell Caroline Livestock Monitoring Program Continuation

FACING REGULATORY AND LEGISLATIVE CHALLENGES

The provincial affairs committee has been active on many new and ongoing issues this year. We had considerable input into these issues with some being resolved to our satisfaction and with others only time will tell. Here is a "brief" summary of the issues and how they are evolving.

The Alberta Cattle Commission (ACC) had many concerns about the potential impact of the draft Water Conservation and Management Act on beef production and agriculture in general. The ACC has been concerned about a number of issues including: licensing provisions for operations that use over two acre feet per year, possibly Crown ownership of wetlands and sloughs, subjecting agriculture to environmental impact assessments through the water legislation, charging fees for water, rural residential subdivisions' impact on agricultural water uses, priority of instream needs, and transfer of water rights. The public meetings into the act were extremely well-attended by cattle producers and Alberta Environmental Protection was made aware of agricultural concerns. The cattle industry and provincial affairs committees developed a solution paper on concerns and presented it to the review committee. The review committee report was presented to the minister and we feel most of our concerns have been satisfactorily addressed. However, we await the introduction of the new legislation.

The new Municipal Government Act allows municipalities to levy taxes on livestock operations based on animals marketed. The government responded to our concerns by setting up review committees to get input on agriculture business tax issues and the ACC has dialogued with both committees. The government has also asked municipal districts not to levy new taxes on agriculture operations until this review is complete.

The provincial affairs committee had input into the draft policy on timber harvesting on grazing leases in the white area. We have also had input into the guidelines on subleasing grazing leases, and the Alberta Agriculture Fee for Service Policy Review.

After many well-attended producer meetings and considerable agricultural input, a new Special Places 2000 policy was released in March. The new policy is much improved from the previous version. It shifts from a preservation philosophy to a conservation and sustainable development approach. The new policy requires scientific assessment, retains existing tenure uses such as livestock grazing and provides for local stakeholder approval of site management plans. The ACC has representation on the provincial coordinating committee. Still, our concern is that the largest gaps in natural area representation are in the grassland, foothills and parkland ecosystems of Alberta, which encompass much of the

settled and agricultural areas of Alberta. In order for Special Places 2000 to succeed, we as producers must try to be active in supporting this process.

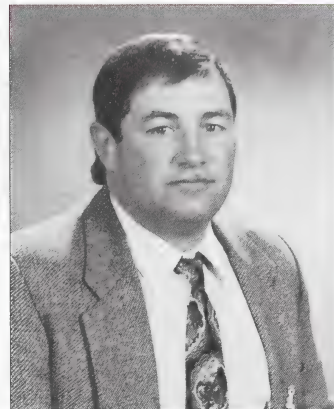
The ACC is concerned about the costs and impacts that endangered species legislation could have on cattle producers' use of both Crown and private land. The experience with similar legislation in the United States has not been particularly positive, with huge costs to government and no successful recovery programs for individual threatened species. The legislation can become another way that environmentalists achieve their goals of setting aside additional areas of this province well in excess of the targets in Special Places 2000. In our view, research, education and local stakeholder cooperation are better tools than legislation to encourage species preservation.

The issue of logging on private lands is gaining a lot of attention, with groups wanting a moratorium on logging on private land. Some municipalities such as Pincher Creek have established guidelines on what, where and how you can log. The ACC solicited a legal analysis of the validity of this bylaw and we are concerned that the bylaw infringes on private property rights and starts to set a precedent about the harvesting of crops on private lands. This is an important issue which will continue to evolve.

The Canadian Association of Petroleum Producers still wants to open the Surface Rights Act for review, as they feel they are paying too much to access land. The ACC insists we don't want to see the act reopened. We are also concerned with energy companies discontinuing the payment of compensation on leases where they are no longer active, even though reclamation certificates have not been issued on the land involved. Alberta Agriculture is reviewing section 39 of the Surface Rights Act and we continue to be involved in these discussions.

On the Crown lease issue, the ACC is expanding its study on costs that grazing leaseholders incur in operating cow/calf operations on Crown leases. The government has also terminated the rental credit assistance programs associated with range improvement on Crown grazing leases, but has retained the program for range allotments in the Rocky Mountain Forest Reserve. The ACC also supported CL Ranches, west of Calgary, in their efforts to continue with a previously approved range improvement project despite opposition from nearby country residence owners. We continue to be involved in lease access issues and welcome the positive outcome of the OH Ranch vs. Patton case. The judgement re-affirmed leaseholders' right to control access to Crown grazing leases.

In conjunction with four local grazing associations and Kananaskis Country, the ACC is testing the use of



**Provincial
Affairs
Chairman**

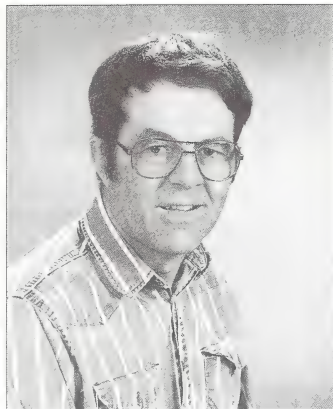
Jim Turner

portable highway signs that warn motorists about cattle drives ahead along the highway. The high volume and speed of tourist traffic in the area makes it an ideal test for signs that could be used in other parts of the province by local municipalities or grazing associations.

The committee has been very active on these issues and I would like to thank the committee members, the

Farmers' Advocate office, Alberta Agriculture, Keith Wilson and our staff for their hard work and support through the year.

Jim Turner, Cochrane
Provincial Affairs Committee Chairman



**Cattle
Industry
Chairman**

**Pat
Rutledge**

BUILDING INDUSTRY CONSENSUS

The committee discussed a wide variety of subjects of interest to the general cattle industry. Topics for the first meeting in February included a Canada Beef Export Federation report by Ted Haney. Terry Church of Alberta Agriculture brought us up-to-date on beef labeling, the proposed amendment to the Livestock and Livestock Products Act, Trichomoniasis and the humane transportation review. Cliff Munroe, head of livestock marketing services, talked about the special RCMP livestock investigators, brand inspection and the Alberta Livestock Security Program. We need to decide whether or not the Livestock Security Program or the Livestock Patrons Assurance Fund is still needed. If it is, then we may need to explore options for someone other than government to manage it.

The committee met with David Andrews to develop a common policy for the proposed Water Conservation and Management Act. At our second meeting Andrews reported that virtually all our concerns were adopted by the review committee.

At the second meeting, we discussed a different set of issues. The availability of aqueous penicillin was discussed. The Alberta Cattle Feeders' Association and the Western Stock Growers' Association wanted to discuss the issue with their individual boards before responding.

The committee reviewed the study on the economic impact of feedlots in Alberta. In addition it was noted that the municipal and provincial road network provides significant benefits to urban communities. It is difficult to understand the rationale for the provincial government transferring road costs to municipalities. We requested a meeting with the Municipal Government Act review committee and subsequently had cattle producers added to the review committee.

Ron Weisenburger from Alberta Agriculture gave us an update on safety nets as well as the WGTA termination program.

Doug Milligan with Alberta Agriculture expressed

concern that disease issues could be used as non-tariff trade barriers. He mentioned that Alberta Agriculture is considering a disease surveillance program to establish some baselines for diseases.

Alberta Cattle Commission (ACC) Promotion Chairman Kim Hanson gave the committee an update on the latest Beef Information Centre advertising campaign.

We also discussed the dealer rebate issue with the auction market association (currently at one cent per head). Two auction markets are withholding 10 per cent or 15 cents per transaction. Before initiating court proceedings, we thought we should find out how big the issue was throughout the province. The auction market representatives subsequently took the issue to their annual meeting where they passed an unanimous resolution that "The Alberta Auction Markets Association, through an executive committee, commence negotiations with the ACC for a fee of five to 10 per cent of the check-off as a dealer rebate for the collection of the check-off". Subsequent negotiations have resulted in an agreement between the Alberta Auction Market and Livestock Dealers Association to increase the dealer rebate from one cent to three cents per head. The ACC Board has ratified the agreement.

In general I believe most cattle organizations view these meetings as a great opportunity to become familiar with industry issues. Many of the organizations represented on the committee do not have the resources to be on top of all the issues the ACC deals with. Several members of the committee have expressed their appreciation for the opportunity to become informed and to offer input.

I believe we had a successful year in bringing the many organizations together and hopefully heading in the same direction. I would like to take this opportunity to thank the members of the committee for their input during the past year.

Pat Rutledge, Monitor
Cattle Industry Committee Chairman

With Representation From: Alberta Auction Markets' Association, Alberta Canada All Breeds Association, Alberta Cattle Feeders' Association, Alberta Livestock Dealers' and Order Buyers' Association, Alberta Milk Producers, Canadian Meat Council, Feeder Associations of Alberta, and Western Stock Growers' Association

ALBERTA'S NATIONAL INFLUENCE

The Canadian Cattlemen's Association (CCA) has been active in the general areas of trade, animal health, grading, environment and research and I will attempt to touch on a number of issues in each.

The trade scene continues to be of prime importance. We participated on two government/industry committees advising the federal agriculture minister on the Tariff Rate Quota, and availability of Canadian product versus offshore product. The committee discovered that we can supply product to meet domestic specifications - the catch is sometimes the price is too high and often the cows or bulls have left the country to be slaughtered in the United States because of lack of consistent demand from processors. It is encouraging that there will be much less Australian and New Zealand product imported this year. We may end up with 85,000 tonnes of imported product in 1995, compared to about 114,000 tonnes in 1994. To date, supplementary import permits have been slightly more than 8,000 tonnes applied for and granted which indicates that domestic product has taken up part of the demand. Some scientific progress is being made on the European Community hormone ban with the Americans exerting the bulk of the pressure to re-access the market. We will again apply to re-establish the tariff on subsidized European Community beef coming to Canada. However, it will be a more difficult project than last time.

The privatization of grading is underway with former CCA manager Charlie Gracey laying the groundwork. We expect to have graders employed by the Canadian Beef Grading Agency by April 1, 1996 with the federal government retaining the training, supervision and monitoring functions until March 31, 1997. Full cost recovery will be the end result with a range of roughly \$.78/hd to \$1.28/hd depending on plant size and efficiency. Coupled with this is a move to allow for video image analysis (VIA), which will mean greater speed and accuracy as well as reduced costs. The CCA and U.S. National Cattlemen's Association set up a working group to assess the impact of grade equivalency on our respective packing sectors. Such an agreement would ensure processing beyond the swinging side without the current discounts of approximately \$30/hd. A report may be available by early 1996.

Bluetongue regulations are ready to be fast-tracked to allow for importation of purebred cattle on the same basis as feeders (without a test during the non-vector season). We are exploring the possibility of a pilot project with Montana to relax the rules on Anaplasmosis, TB and Brucellosis testing and vaccinations to enhance access to cross border markets without excessive costs. It will be six months before we see anything in the way of real change. There is talk within government about shifting the responsibility of compensation for disease eradication to industry. We respond that there are real benefits to government maintaining this function and that monies

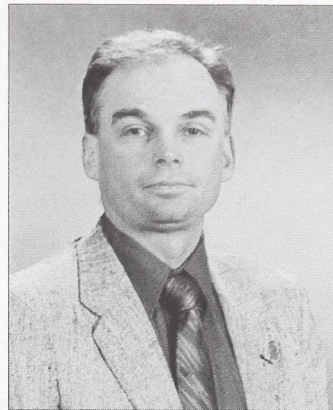
can be found for these programs from the safety net area.

Four regional environmental stewardship award winners were introduced at the CCA semi annual meeting in Waterloo. I believe we received good coverage and profiled some top-notch producers. The long awaited state of the environment report on the impact of the hamburger on today's society has been released and although we did see significant changes and improvement, it is still an indication that our federal government foolishly spends what they don't have on projects that are totally unnecessary.

The CCA has responsibility for overseeing the Opt-Out Fund which is producer money left in the National Tripartite Stabilization Plan account from people who withdrew prematurely. We have directed this money to activities that promote and enhance the competitiveness of Canada's beef cattle and beef industries as well as funding supplemental compensation to BSE affected owners. From the initial \$5.5 million, we have allocated \$600,000 to Canada Beef Improvement, \$200,000 to instrument grading and privatization of grading, \$66,000 on beef tenderness projects and \$261,000 for Beef Information Centre (B.I.C.) project support. Excluding some minor projects, this leaves a balance of roughly \$2.6 million.

The CCA also has five producers sitting on a board of 13 administering the \$21.6 million Beef Industry Development Fund (BIDF), which was formed when the industry withdrew from the NTSP thereby saving the government considerable dollars. The government agreed to contribute 50 per cent of 1994's NTSP commitment to a GATT green fund. The BIDF has decided that there will be four basic areas benefiting from the fund. The Canada Beef Export Federation is to receive 34 per cent and the B.I.C. 24 per cent (both of these allocations are based on five year business plans). We have allocated 8.8 per cent to training initiatives, 25.7 per cent to research and held back 7.5 per cent for projects that may not fall in the four main areas. Currently, the Alberta Agricultural Research Institute is handling the prioritization of research projects for the BIDF committee.

Cross border relations continue to play a major role in our job and as price pressure on our markets continues to increase, we will see resistance to free trade on both sides of the border. Our relationship with our American neighbors is key to the success of the industry in Alberta and Canada so we've found it imperative to spend more time with one another to enable us to understand the issues on both sides of the border.



**Alberta's
Executive
Director to
the CCA**

Larry Sears

*Larry Sears, Stavelly
Alberta's Executive Director to the CCA*



**Beef
Information
Centre
Chairman**

**Mabel
Hamilton**

BEEF'S ADVERTISING INVESTMENT

The Beef Information Centre (B.I.C.) continues to work hard on your behalf. Everyday seems to offer new challenges. This is not a business for the weak of heart!

A Matter Of Fat (AMOF)

Which has more fat, a hamburger or a fish burger? If you answered the hamburger, you would be giving the same answer as many Canadians but you would be *wrong*. With only 12 grams of fat, the hamburger has about half of the fat found in a fish burger.

With many people being "fat phobics", it is important that the misconceptions regarding fat in the diet be addressed. To this end, the B.I.C. developed a resource to help people make choices in their diet and help them identify the hidden sources of fat. This kit is targeted at health professionals and the general public. Because all materials were reviewed by dietitians it has third party credibility.

The launch of AMOF in February generated media coverage far exceeding our expectations. The project has resulted in more television and radio interviews than any other incentive we have been involved in. The circulation of print materials has reached over eight million. The significance of this is that if the B.I.C. had to buy airtime to achieve this coverage it would cost \$300,000. The original expenditure for the B.I.C. was \$97,000 so producers have received a three fold return on their investment.

To complement the AMOF teaching resource, booklets were developed. The original printing of 150,000 disappeared quickly, requiring an immediate reprint. To date over 300,000 booklets have been distributed. There have been 2,620 requests for resource kits. Obviously the success is tremendous but with demands on staff time and mailing costs it was decided to insert 1.2 million copies of the AMOF brochure in the November issue of *Chatelaine*.

Reaching health professionals, particularly doctors, has always been a challenge. We know they often are not current in their knowledge regarding beef as a healthy choice. To target doctors we used their publication *Nutrition Post* (circulation 45,000). We included an AMOF poster in the publication, along with business cards so the doctors could order AMOF booklets. In only one and a half months more than 700 doctors sent in orders (requesting 70,000 brochures).

Thanks to the Alberta Cattle Commission which granted the B.I.C. an additional \$210,000. These monies were specifically for the doctor promotion. I believe the

doctor mailout and the ongoing promotion has added another dimension to a very successful initiative.

Retail

Understanding that we have an increased supply of beef, and given that we want prices to stay reasonable at retail, the B.I.C. entered into a pilot summer promotion in Calgary. Not only was this promotion to increase the sale of beef but it was also an opportunity to measure the effects of various media components. This project had three parts:

- 48 transit shelter ads,
- radio ads on four stations plus promotions,
- retail, in-store demos, featuring and coupons along with data information before, during and after the promotion.

Calgary Co-op promoted *Original Alberta Beef* and Real Canadian Superstore promoted AAA product. Initial feedback indicates the ads both on radio and bus shelters caused excitement. When the sales data is tabulated we will be able to judge the effectiveness of the various components. In addition to the development of point of sale materials, retail completed three national promotions: quick and easy meals with Lipton Side Dishes, a roast promotion with Lipton Recipe Mix and a barbecue promotion with Heinz.

National promotions involve an average of 2,000 supermarkets per promotion. Retailers continue to rate the materials very highly and regard them as an effective way to stimulate consumer interest.

Foodservice

Encouraging foodservice to use quality beef and to encourage an increase in beef entrees is an ongoing challenge for the B.I.C. When partnering, the B.I.C. offers expertise and materials as opposed to large amounts of funding. There have been many successes. One interesting one is a Chinese chain called Mandarin, (10 locations in Toronto) that has included prime rib on its Chinese menu. What is even more interesting is that they offer takeout prime rib. They printed 1.9 million copies of their flyer featuring takeout prime rib plus television advertising as well. Some incentives, such as the Keg Restaurant, took the B.I.C. two years of work before fruition.

SNAC Update

The very successful Sport Nutrition for the Athletes of Canada (SNAC) program continues to influence athletes and coaches. Because it is endorsed by the Sports Medicine Council, the manual is being distributed extensively. Last year there were 122 workshops promoting SNAC as opposed to 35 the previous year. A recent poll taken with workshop participants indicated a 30 per cent increase in individual meat intake and 44 per cent reported they have maintained their meat level. These figures certainly indicate that SNAC is meeting its objective to position beef as part of a healthy diet.

Body Break TV Spot

On several occasions producers have indicated they were not comfortable with the slant taken by this show regarding beef. So when the B.I.C. was given the opportunity to become involved in a Body Break spot the decision was easy. The spot is 90 seconds in length and started airing in July.

It will air approximately 150 to 175 times per week across the country for the first six months and then will continue to air at lower levels the rest of the year. The best part is that the comparison between steak, muffins, quiche and Caesar salad can be made, something we would not be allowed to do in regular advertising. The AMOF booklet will be advertised on this spot as well. The cost of this program to produce, run and air was \$15,000.

Body Break reports that the response has been overwhelming and their staff has distributed 3,000 AMOF booklets during the first month of airing.

New Products

For various reasons, mostly money, new product development has not made great strides. The cost to develop new products is extremely high. Even with the infusion of Beef Industry Development Fund monies, partnerships must be found. The B.I.C.'s role will be to stimulate the development of new products within the industry. An advisory group has been set up to oversee this project. This group has established that "new" refers to beef that has been altered in some way to increase convenience or to improve variety. Products will be considered at all stages of development. Industry responded well to this; 20 applications were received and 16 products will go to focus groups for taste tests. From the focus group we will only be kick starting the incentives that show potential - this is exciting stuff.

Advertising

The B.I.C. spends a great portion of the budget (\$3 million) on advertising. Careful tracking and analysis of consumer attitudes are done yearly. We have found that awareness and attitudes towards our product continue to improve. We do know however that perception regarding usage has not improved. Red meat is not regarded as trendy, convenient or consistent. Foreign as it may seem to us, meat is often an ingredient in a meal, not the main feature. These kinds of issues help us in planning our strategy.

The new commercials this fall are certainly different than recent ones. The focus is on the great taste of beef. I am happy with the new ads but I have no doubt producers will have varying opinions and will not hesitate to share them!

The print ads focus on health and are very provocative. The boldness of the ads may make them controver-

sial but if the impact is as dramatic as we expect, we will be pleased. The ads appear in *Chatelaine*, *Macleans*, *Modern Woman* and *Flare*, as well as in three French magazines. The B.I.C. was very happy with the previous athlete related ads but it seemed reasonable to change direction.

Olympic Sponsorship

It has been decided not to become involved in Olympic sponsorship to the same extent as previous years. However, the B.I.C. will still be the official supplier of beef to Canada's Olympic Team.

So as not to lose our connection with athletes, the B.I.C. will enter into a partnership with *Canadian Living* magazine. This partnership involves publishing an 100 page magazine style cookbook which features beef recipes and profiles Canadian Olympians. *Canadian Living* will distribute the cookbook through their magazine rack space and the B.I.C. will also be marketing the cookbooks. Not only will this project be an Olympic tie-in, but will position beef as a convenient, trendy food through a very credible third party like *Canadian Living*. Watch for the cookbook in June 1996.

The statistics are out and beef consumption in Canada increased by 1.8 lbs/capita in 1994, which translates to 50 million pounds of beef or 106,000 head. In addition, retail beef prices increased 0.9 per cent over '93 prices and five per cent over '92 prices. We would like to think some of the B.I.C.'s work helped to influence these numbers. People's attitudes are changing, they are tired of the latest scare of the week and want to be given permission to enjoy food.

Being creative, flexible and working as a team helps the B.I.C. continue with the mandate of encouraging consumers to eat meat.

When prices are down, it is tempting to grumble about the substantial money that goes to the B.I.C. But increased supply and the challenge of maintaining marketshare make it imperative that we aggressively promote our product.

The B.I.C. committee (all producers) work very hard to understand the "urbanite" and to make decisions that spend your money wisely and effectively. I would like to thank the B.I.C. team for their diligence and support this past year.

The dictionary is the only place where success comes before work. Work tirelessly, on our behalf, is what our B.I.C. staff do and I would like to thank them.

NOTHING ELSE IS BEEF!

Mabel Hamilton, Innisfail
Beef Information Centre Chairman

enhancing the economic well-being of the Alberta cattle producer



**Alberta
Cattle
Commission**

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Strength
from the
ground
up.